

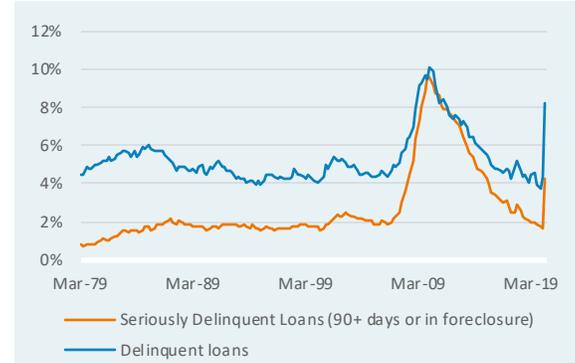
Capital Markets Snapshot

August 10th to August 21st, 2020

U.S. Economy

- Congress failed to reach consensus on the terms of a potential stimulus package, and President Trump announced a series of executive orders aimed at bridging the gap until Congress returns from its recess. The fiscal outlook remains highly uncertain.
- The delinquency rate for mortgage loans on one-to-four unit residential properties increased from 4.36% to 8.22% in Q2, marking the largest quarterly rise in the history of the Mortgage Bankers Association's survey, and its highest level in nine years.
- The seriously delinquent rate (capturing loans that are 90+ days past due or in foreclosure) rose from 1.67% to 4.26%.

MORTGAGE LOAN DELINQUENCY RATES

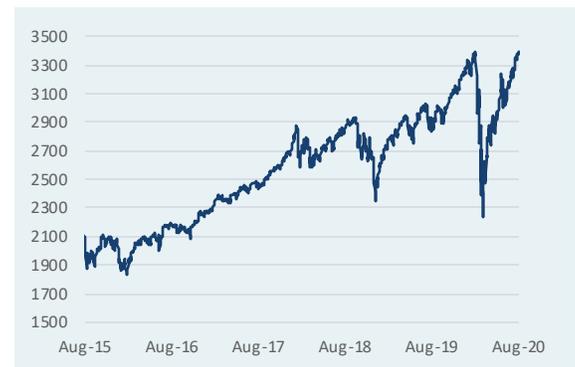


Source: Mortgage Bankers Association, as of 6/30/20

U.S. Markets

- The S&P 500 Index returned 1.5% over the period and climbed to a new record closing high level of 3397 on the price index.
- The concentration of the S&P 500 Index climbed to record levels, stoking concerns over the fragility of the overall index should a mega-cap tech name falter. Apple, Microsoft, Amazon, Facebook, and Alphabet now comprise about 23.5% of the overall index.
- The July FOMC meeting minutes indicated a pessimistic outlook from Fed officials, who remained concerned over the short- and medium-term economic fallout from the ongoing public health crisis and appeared committed to ultra-loose policy for some time.

S&P 500 PRICE INDEX



Source: Standard & Poor's, Bloomberg, as of 8/21/20

International Economy

- Fiscal policy in China remains supportive, but the People's Bank of China appears to be shifting focus from stimulating growth to managing financial risks on the monetary front. In July, the M0 (most liquid) money supply in China grew 9.9% year-over-year.
- Japanese GDP shrunk at an annualized quarterly pace of -27.8% in Q2 (-9.9% YoY). Some economists have criticized Japan for pushing a sales tax hike through in Q4 2019, which led GDP to fall -7.3% (QoQ SAAR) and engendered a more fragile pre-COVID economy.
- Preliminary August PMI data indicated a slowing in the pace of the expansion of manufacturing and services sector activity in Europe.

CHINESE MONEY SUPPLY GROWTH (YOY)



Source: The People's Bank of China, Bloomberg, as of 7/31/20

International Markets

- U.S. and international developed equities advanced in lockstep and gained 1.5% each, in line with the global benchmark. Emerging market equities (+0.3%) advanced as well, as strength in the Asian segment outweighed weakness in Latin America.
- Japanese equities (MSCI Japan +3.5%) were among the top performers. Still, over the last three months, Japanese equities (+10.0%) have lagged the MSCI EAFE Index (+15.0%), due primarily to the significant appreciation in the euro relative to the dollar.
- Brazilian equities (-4.7%) weighed on the EM complex, as COVID-19 continued to spread and the real weakened versus the dollar.

EUR/USD SPOT RATE



Source: Bloomberg, as of 8/21/20



Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. The information provided is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal.

Capital Markets Snapshot

MARKET PERFORMANCE

Equities

	Last Two Weeks 8/10/2020 - 8/21/2020		MTD		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
S&P 500 TR USD	1.46	9.27	3.99	8.22	9.85	11.36	6.47	40.86
Russell 2000 TR USD	-1.01	10.03	4.96	14.69	7.87	19.53	-6.13	50.25
MSCI ACWI NR USD	1.45	7.36	3.56	7.49	9.04	10.12	2.22	32.84
MSCI EAFE NR USD	1.45	13.99	3.43	13.47	5.84	14.31	-6.17	28.01
MSCI EM NR USD	0.28	12.22	1.28	13.73	10.33	18.47	-0.46	28.21

Fixed Income

Barclays US Treasury US TIPS TR USD	-0.11	3.69	0.18	3.51	2.48	2.74	8.64	8.79
Barclays US Treasury TR USD	-0.58	3.65	-0.73	3.50	0.40	2.94	9.15	7.21
Barclays Long Term US Treasury TR USD	-2.16	12.49	-2.64	12.00	1.47	10.39	22.99	23.20
Barclays US Agg Bond TR USD	-0.64	2.73	-0.54	2.62	0.95	2.20	7.14	5.51
Barclays US Credit TR USD	-1.19	3.79	-0.81	3.81	2.25	3.36	7.18	9.27
Barclays High Yield Corporate TR USD	-0.42	1.87	0.14	2.17	4.83	3.33	0.85	12.84
JPM EMBI Global Diversified TR USD	-0.53	2.90	0.78	3.63	4.52	3.88	1.64	14.63

Other

Bloomberg Commodity TR USD	1.44	14.33	4.06	15.26	10.00	11.85	-11.34	18.99
Wilshire US REIT TR USD	-2.04	18.47	-0.81	18.17	3.53	19.58	-14.87	50.87
MSCI Currency Factor Mix ER USD	0.06	2.28	-0.03	2.48	-0.25	1.75	-0.79	3.48

Source: Morningstar, Data as of last available market close, Top/bottom two highlighted.

ECONOMIC DATA - RELEASED

Date	Country	Event	Freq	Period	Surv(M)	Actual	Surprise
08/10/20	JN	Eco Watchers Survey Outlook SA	M	Jul	44.0	36.0	-5.5
08/11/20	GE	ZEW Survey Expectations	M	Aug	55.8	71.5	2.7
08/11/20	US	NFIB Small Business Optimism	M	Jul	100.5	98.8	-0.8
08/11/20	JN	Money Stock M2 YoY	M	Jul	8.4%	7.9%	-1.1
08/11/20	UK	GDP YoY	Q	2QP	-22.3%	-21.7%	0.4
08/12/20	EC	Industrial Production WDA YoY	M	Jun	-11.6%	-12.3%	-0.5
08/12/20	US	CPI Ex Food and Energy YoY	M	Jul	1.1%	1.6%	7.2
08/13/20	US	Initial Jobless Claims	W	8-Aug	1100k	963k	-1.3
08/14/20	US	Retail Sales Advance MoM	M	Jul	2.1%	1.2%	-0.9
08/14/20	US	Capacity Utilization	M	Jul	70.3%	70.6%	0.5
08/14/20	US	U. of Mich. Sentiment	M	Aug P	72.0	72.8	0.4
08/16/20	JN	GDP Annualized SA QoQ	Q	2QP	-26.9%	-27.8%	-0.2
08/16/20	JN	GDP Private Consumption QoQ	Q	2QP	-6.9%	-8.2%	-1.9
08/17/20	US	Empire Manufacturing	M	Aug	15.0	3.7	-3.6
08/20/20	US	Philadelphia Fed Business Outlook	M	Aug	20.8	17.2	-1.1

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
08/25/20	GE	Ifo Business Climate	M	Aug	90.5	92.4	1.0
08/25/20	US	Conf. Board Consumer Confidence	M	Aug	92.6	93.1	1.7
08/25/20	US	New Home Sales MoM	M	Jul	13.8%	-0.1%	2.5
08/26/20	US	Durable Goods Orders	M	Jul P	7.6%	4.0%	2.1
08/27/20-							
09/02/20	GE	Retail Sales MoM	M	Jul	-1.6%	1.3%	1.0
08/28/20	EC	Economic Confidence	M	Aug	82.3	85.0	1.4
08/28/20	CA	Quarterly GDP Annualized	Q	2Q	-8.2%	-38.9%	2.1
08/28/20	US	Personal Income	M	Jul	-1.1%	-0.1%	1.9
08/28/20	US	Personal Spending	M	Jul	5.6%	1.5%	1.1
08/28/20	US	PCE Core Deflator YoY	M	Jul	0.9%	1.2%	0.0
09/01/20	US	ISM Manufacturing	M	Aug	54.2	54.3	0.4
09/03/20	US	ISM Services Index	M	Aug	58.1	57.0	0.0
09/04/20	US	Change in Nonfarm Payrolls	M	Aug	1763k	--	--
09/04/20	CA	Unemployment Rate	M	Aug	10.9%	--	--
09/04/20	US	Labor Force Participation Rate	M	Aug	61.4%	--	--



Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. The information provided is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal.